



# SOUTH DAKOTA LEGISLATURE

State Capitol, 500 East Capitol Ave., Pierre, South Dakota 57501-5070

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September 8, 2014

Mr. Michael Rounds  
P.O. Box 250  
Pierre, SD 57501

Dear Mr. Rounds:

The Government Operations and Audit Committee has scheduled a meeting for September 24, 2014 in room 414 in the State Capitol Building to review various issues involving state government.

As the Chair of the Committee, I would like to request that you respond to the following questions, the first fifteen questions were asked by the South Dakota Democratic Party at their August 19, 2014 press conference. I ask that you provide the Committee a written response to these questions. The Committee plans to review your answers to the questions at the September 24, 2014 Government Operations and Audit Committee meeting. You will note that answers to two of the questions have already been received, and the answers are in *italic*.

1. Where is the \$550,000 from the \$1 million state grant that Mike Rounds cabinet secretary Richard Benda stole from Northern Beef Packers?
2. Who in state government did the Northern Beef CEO talk to ahead of time to feel comfortable giving Benda a check for \$550,000 upon his delivery of the \$1,000,000 Futures Fund grant?
3. Who in the Rounds Administration approved the \$1 million Futures Fund grant for construction reimbursement to Northern Beef Processors (the check Benda ended up securing in physical form as a member of the private sector)?

*The Letter of Agreement authorizing the \$1 million grant was signed by Governor Rounds. This information was obtained by the South Dakota Department of Legislative Audit as part of their audit of the governmental funds of the Governor's Office of Economic Development.*

4. Was Richard Benda working alone when he stole the state's money?
5. How is it possible that Benda stole the \$550,000 state grant money without conspiring with either state officials, Northern Beef Packing plant employees or SDRC, Inc. President Joop Bollen?
6. How close did Mike Rounds work with Richard Benda & Joop Bollen on the EB-5 program?
7. Did Mike Rounds know the intended purpose of the \$1 million grant he approved for his departing cabinet secretary Richard Benda?
8. Why is Governor Dennis Daugaard pointing the finger at the Rounds administration but former Governor Mike Rounds says the check is the Daugaard administrations fault?
9. How did Joop Bollen get the contract to privately manage the EB-5 visa program for the State of South Dakota? Was there a public bidding process?

- a. KELO reported that Mike Rounds sliced Joop Bollen's pay in half for managing the state's EB-5 program to grant Bollen the lucrative EB-5 contract through a no bid process.
10. Follow up on Keloland story: Why did Mike Rounds think it was ok to grant a no-bid contract to a state employee for the lucrative EB-5 contract?
11. What were the full terms of Joop Bollen's contract to manage the EB-5 program?  
*That contract has been made available to the public (see attached copy).*
12. Who determined the terms of Joop Bollen's contract to privately manage the EB-5 program?
13. Who wrote the contract to privatize the EB-5 program for Joop Bollen?
14. Who else was earning money from the state's privatization of the EB-5 program?
15. Did any beneficiaries of the EB-5 program make political contributions to elected officials, and/or their party committees, who oversaw the EB-5 program?
16. How many people, who have participated in the EB-5 program, have come to South Dakota and have become contributing citizens to the State of South Dakota?

There is another list of questions we are reviewing at this time and these questions may be sent to you at a later date.

Please submit this information to Tim Flannery, Department of Legislative Audit, 427 South Chapelle, Pierre, SD, 57501, by September 17, 2014 so that the information can be sent to all Committee members in advance of the actual meeting date.

If you have any questions, please contact Tim Flannery with the Department of Legislative Audit at 773-3595.

Sincerely,



Senator Larry Tidemann, Chair  
Government Operations and Audit Committee